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IN THE
Supreme Court of the United States

OCTOBER TERM, 1941.

—
No. 323.
—

MUNCIE GEAR WORKS, INC., ET AL., *Petitioners,*

v.

JOHNSON BROTHERS ENGINEERING CORPORATION AND OUT-
BOARD, MARINE & MANUFACTURING COMPANY, *Respondents.*

—
REPLY BRIEF FOR RESPONDENTS.
—

GEORGE L. WILKINSON,
S. L. WHEELER,
ISADORE LEVIN,
HENRY M. HUXLEY,
Counsel for Respondents.

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REPLY BRIEF FOR RESPONDENTS.

Respondent briefly answers Petitioner's reply brief only to point out: (1) that Petitioner has again radically changed its position; (2) that Petitioner's premise assertions are contradicted by the record; and (3) the law cited by Petitioner is inapplicable. In the limited time available it will not be possible to raise all the points which are subject to challenge.

1.

Petitioner has Radically Shifted Its Position.

In the lower courts, Petitioner, by its pleading and argument and evidence, attacked the patent here involved on the ground of (a) alleged anticipation; (b) alleged lack of invention (c) alleged aggregation.

These defenses having failed below, Petitioner raised a wholly new and unpleaded point, alleging that the claims here involved, as well as the subject matter thereof were void because inserted by amendment "two years and seven months after the application was filed and more than two years after commercial adoption by the industry." (Petition 7.)

After certiorari was granted Petitioner again made a point of the assertion that on March 30, 1929, more than two years after competitors entered the field, Johnson was for the first time claiming anything other than the deflection plate or its support. This statement was italicized (for example, Petitioner's brief 8, 9 and 14).

After Respondent's brief pointed out that the premise was incorrect both as to the date when such claims were tendered and also as to the date when competition commenced (pp. 29-35), Petitioner now says (p. 18 of the Reply) that it is not concerned with delay, but merely with public use of the invention more than two years before the claims in suit, in their present phraseology, were inserted in the application. Also (p. 7 of the reply) Petitioner now states that the issue is not one of "intervening rights," in spite of the statements originally made on page 16 of Petitioner's main brief.

The fact is that the date of March 30, 1929 heretofore urged by Petitioner in this Court as the first date at which the subject matter was claimed without regard to the arch and deflecting plate 19 is not only erroneous but it is in direct conflict with Petitioner's own brief in the Court of Appeals where, on page 23 (see quote on page 37 of our main brief here) Petitioner correctly gave the date of Dec. 6, 1928, which is well within two years of first competitive use.

Petitioner's Fact Premises are Contradicted by the Record.

A. Petitioner says (Reply 2) "We then proceeded to show that the remedy for cavitation was merely the use of an anti-cavitation plate".

Petitioner so *stated* but it did not so show and cannot so show. *All* of the evidence on the subject is to the contrary. (See quotes on pages 10, 11, 40, 41, 42, 43 of Respondent's main brief).

o B. Petitioner says (Reply 3) that the possibility of cavitation despite the use of an anti-cavitation plate is "flatly contradicted by the patents of the prior art (R. 418, 482) showing the use of anti-cavitation plates."

In the first place, these patents nowhere state that the plates shown are sufficiently effective to permit use of high power and high speed. In the second place, it is highly improper to attempt to prove a fact by reference to a third party's incompetent statement in a patent specification. The patentees should have been produced, subject to cross-examination. Moreover, the assertion that one of the patents mentioned was issued "to Johnson himself" is contrary to fact. It was issued to a different Johnson who was, however, available in court and testified in this cause without having been asked by Petitioner any question which could support its entirely incorrect assertions.

C. With respect to the accuracy of the vortex paths of Respondent's drawing (p. 7 of Respondent's main brief) which Petitioner attacks as "impossible" (Reply 3), Respondent refers to the Record (41, 42, 214-215, 225).

D. Throughout the "Reply" and elsewhere Petitioner sets up a "man of straw" by talking about streamlining of the lower unit. (Reply 3, 4, 5, 6 etc.) Yet Petitioners admit that the claims do not include any mention of this expression (Reply 4). The fact is that the patent did disclose in its original drawing a smooth wall surface which, as a wall

surface, is streamlined in the broad sense of being a smooth and unbroken cover for the shaft and water conduit which would otherwise cause vortices. Respondent's witnesses and Respondent's counsel have referred ordinarily to these walls as smooth and unbroken. The patent in suit, even as amended, did not refer to the whole housing as streamlined but only to the *surfaces* in which the water passages are enclosed. (R. 342, l. 87.) When Petitioner says (Reply 3) that Respondent claims streamlining, reference to the pages cited will show that Respondent was referring to smooth walls in the combinations of the claims.

Since the smooth walls covering the shaft and water conduit above the plate were original with Johnson; since it is this combination which achieves the result; since the walls were so illustrated in the effective combination and so claimed, how is it pertinent for Petitioner to attach so much emphasis to a point which it admits is not involved in the claims? This whole issue, therefore, has been injected unnecessarily and irrelevantly into the case.

E. At numerous points (Reply 3, 10) Petitioner criticizes the specification of the patent in suit as containing no disclosure of points made in argument and supported by the evidence.

Suffice it to say that the points involved all concern functions or advantages. The specification and drawing need only disclose a preferred embodiment of the invention. The patentee need not even understand its operation or advantages. (Note Respondent's main brief, p. 26.) Actual experience may be, and has been, resorted to in proof of these points.

F. Reference to streamlining as a "current vogue" (Reply 11) is a very transparent and wholly unwarranted attempt to justify Petitioner's copying and use of the patented invention.

In the first place the invention has advanced the art. All the evidence, undisputed, is to that effect.

Secondly, what may be "current vogue" does not prove what the situation was prior to 1926.

Third, Petitioner does not use the invention as a matter of vogue but because it could not operate the accused devices without the complete combination as claimed. The evidence on this is undisputed (R. 42, 43, 225, 226).

G. Petitioner objects (Reply 2, 3) to Respondent's statement that Johnson was the undisputed inventor of the subject matter.

Possibly the objection is a quibble based on the use of the word "inventor". Certainly Petitioner has never pointed to any prior art showing the combination claimed. Certainly Johnson originated a smooth walled housing extending above the anti-cavitation plate and enclosing both the drive shaft and water conduit.

3.

The Law Cited by Petitioner is Inapplicable.

A. Petitioner's Reply (p. 5) says that the law applicable and cited in Petitioner's main brief is clear and unequivocal. The fact is that the cases cited on the point at issue concern attempts to cover competitive inventors made, in the interim, giving rise to intervening rights with which Petitioner now says it is not concerned. The important fact in the present case is that the claims here in suit were not inserted to cover any invention or improvement made by any third party but were incorporated to cover an invention which was originated by Johnson. No showing has been made to the effect that the combination claimed was ever previously known nor has it been shown that any competitor at any time adopted anything but the precise combination of the patent, directly copied from the Johnson commercial structure.

B. Petitioner cites (Reply 5) *Permutit v. Graver*, 284 U. S. 52 in support of the proposition that a mere illustra-

tion in the drawing does not comply with the statutory requirement.

The case is not at all in point because in that case there was neither any description nor any claim to the alleged invention in the *patent as issued*. The situation is wholly different here where the patent as issued contained not only a drawing but a description and claims of the precise structure Petitioner is using.

C. Petitioner's Reply (P. 6) criticizes the subject matter of the claims in suit as "after thought". The cited case of *Simpson v. Newport*, 18 F. (2nd) 318, 323 is not in point. That case held that "when matter which does not read on the original specification or claims is introduced by amendment without an oath it is void." In the present case the claims relied upon were supported by supplemental oath.

D. Although Petitioner says (Reply 7) that the case is not one of intervening rights, the fact is that the *Chicago & N. W. Car Co.* case, 97 U. S. 554, 563, relied upon by Petitioner, is a case in which the opinion of this Court was directed to the protection of adverse rights. As above pointed out the present case is wholly distinct in that there is no showing that any of the parties who entered the field before the subject matter here involved had been claimed had made any independent inventions. The fact is that they were copiers of the Johnson commercial product made under the application for the patent in suit and Johnson had an absolute right under the statute to amend his claims to cover that which was his own.

E. In connection with the defenses of anticipation and want of invention, Petitioner correctly points out that these were mentioned in the prayer of the Petition. However, no mention of such defenses is found among the three Reasons Relied Upon (Pet. p. 7), and it is submitted that these issues are not properly before this Court. In *General Talking Pictures v. Western Electric*, 304 U. S. 175, 177 to 179, this Court said:

"Our consideration of the case will be limited to the questions specifically brought forward by the petition. . . . The specifications of error in that brief do not expand or add to the questions stated in the petition ;

One having obtained a writ of certiorari to review specified questions is not entitled to obtain decision on any other issue."

Conclusion.

It is respectfully submitted that the reply shows a radical change in position on the part of Petitioner, shows Petitioner's fact premises to be unsupported by the record and actually contradicted thereby and cites law which does not support Petitioner's position, the applicable law being contrary to Petitioner's position.

Wherefore it is prayed that the judgment below be affirmed.

Respectfully Submitted,

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HENRY M. HUXLEY,

Counsel for Respondents.

SUPREME COURT OF THE UNITED STATES.

No. 323.—OCTOBER TERM, 1941.

Muncie Gear Works, Inc. and Bruns
& Collins, Inc., Petitioners,
vs.

Outboard, Marine & Manufacturing
Company and Johnson Brothers Engi-
neering Corporation, Respondents.

On Writ of Certiorari to
the United States Cir-
cuit Court of Appeals
for the Seventh Cir-
cuit.

[March 30, 1942.]

Mr. Justice JACKSON delivered the opinion of the Court.

We are required in this case to determine the validity of claims numbered 11, 12, 13 and 14 of letters patent No. 1,716,962, granted on June 11, 1929, to Harry L. Johnson for invention in a "water propulsion device". Respondent Johnson Brothers Engineering Corporation is the owner of the patent, and respondent Outboard, Marine & Manufacturing Company, is the exclusive licensee thereunder. Petitioner Muncie Gear Works, Inc., manufactured outboard motors which are claimed to infringe, and petitioner Bruns & Collins, Inc., sold them.

Respondents contend that this is a validly issued patent covering an invention which solved the problems of "cavitation" by relatively large and fast outboard motors. "Cavitation" is the drawing of air by the propeller from above the surface of the water to the propeller itself. Air so drawn reduces the propulsive effect of the propeller and causes "racing" of the motor with consequent risk of its disintegration and danger to the user. Increased speed or power entails a greater tendency to cavitate. Cavitation may be diminished by setting the propeller deeper in the water, but this increased projection increases resistance and retards speed.

Long before the patent in question, it was known that cavitation could be controlled, and in practice it was controlled, in at least all but relatively large and fast outboard motors, by setting a flat plate horizontally above the propeller and beneath the surface of the water, to act as a baffle and prevent the propeller from drawing

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air.¹ Respondents presented expert testimony to the effect that relatively large and fast water-cooled outboard motors cannot be successful unless they embody the asserted invention which respondents say is the subject matter of the claims in question. In general, this may be said to consist in the use of an anti-cavitation plate on a housing for the engine and propeller shafts enclosing the water passages for the cooling system, shaped both above and below the plate so as to reduce water displacement and resistance and thus to reduce or eliminate eddy currents forming vortexes through which air can be sucked into the propeller. This permits adequate control of cavitation by means of a not unduly large anti-cavitation plate.

Harry L. Johnson, an experienced engineer and manufacturer of outboard motors, filed his application for the patent on August 25, 1926, but it in no way suggested the combination now asserted as his invention. The single sheet of drawing accompanying the application was not changed during the prosecution of the application, and is the same as the drawing of the issued patent. This drawing showed an outboard motor assembly comprising, among other things, an engine at the top connected with a propeller at the bottom, with an anti-cavitation plate located horizontally above the propeller approximately midway between top and bottom of the housing for the engine and propeller shafts. All water passages for the cooling system beneath the normal water level were shown to be enclosed in the housing. No cross section of this housing was drawn or indicated, and for all that appears from the drawing it might have been circular, triangular or rectangular. The drawing showed an arched member extending from the housing and anti-cavitation plate over the top and to the rear of the propeller, containing openings and passages for the intake and discharge of water, and ending in a curved "deflection plate" extending rearwardly like a fixed rudder. From the specifications and claims it appeared that the purpose of the deflection plate was to compensate for the side and pivotal force of the moving propeller, which tended to draw the boat off its course unless the operator made constant adjustment to offset the "side throw." The specifications and drawings both indicated an anti-cavitation plate which the specifications said "prevents cavitation," but it was in no way

¹ Smith, No. 1,226,400 (1917); Johnson, No. 1,467,641 (1923).

asserted that the cavitation plate was new, or that it was being employed in any novel cooperative relation to the other elements.

All of the claims of the application as originally made were rejected on December 15, 1926. On December 13, 1927, Johnson offered amendments which retained and amended the prior claims and added others directed to the feature of the deflection plate. In urging allowance, he said, among other things: "It is conceded that cavitation plates are old in the art as shown in the patent to Johnson cited," and he proceeded to urge as an invention the combination of the cavitation plate and the arching member or deflection plate. A similar supplemental amendment was filed on January 19, 1928. Several of the original claims as amended were allowed, and the rest of the claims rejected, on June 7, 1928.

On December 8, 1928, Johnson came forward with new claims. Claims 20 to 25 offered by this amendment made no mention of the deflection plate or of the arching members, but did not even suggest the presently asserted invention. On March 30, 1929, Johnson cancelled these claims and offered further amendments to his original application, together with a supplemental oath that he had invented the subject matter of the application as so amended, prior to the filing of the original amendment.² The effect of those changes was aptly described by the patent examiner: "The amendments have been such that the claims now emphasize the anti-cavitation plate rather than the anti-torque plate." With changes which are immaterial here, the new claims so offered became the claims in issue. In them Johnson for the first time made claims relating to the exterior surface of the housing. Claim 12 described the housing as having "unbroken outer wall surfaces at each side," and claim 14, as having "smooth and unbroken walls." Claims 11 and 13 were silent on the subject. The amendment also set forth an addition to the description which was incorporated in the description of the patent as issued. Here we find the expression "relatively smooth and substantially stream-line surfaces." Other than these, no indication of the nature of the surface or cross section of the housing was given at any time during the prosecution of the application.

The petitioners interposed defenses to all of the eight patents upon which respondents sued them in the District Court for the

² No question has ever been raised in this case respecting the veracity of this oath. Cf. *Elizabeth v. Payement Co.*, 97 U. S. 126, 130.

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Northern District of Illinois, Eastern Division³ which we take to have put in issue the question whether the claims were void because made more than two years after the first public use of the device.⁴ At the trial two of the officers of respondent Outboard, Marine & Manufacturing Company, testified on direct examination as respondents' witnesses to the effect that in January or February of 1926 one of this respondent's predecessors put on the market licensed outboard motors equipped with smooth-walled housings, anti-cavitation plates, and internal water passages as described in the claims in suit; and that at least one competitor (which was also a predecessor) had brought out a substantially similar, but unlicensed, motor about a year later.⁵

³ The patent here involved and two others were litigated in one suit, with which was consolidated another suit involving five other patents. One of the patents was withdrawn prior to trial, and the courts below disposed of six of the seven remaining patents adversely to the respondents.

⁴ These read as follows:

"The defendants are informed and believe and therefore aver that each of the Letters Patent in suit was and is void and of no effect in law in that the alleged inventions or improvements described therein were invented by, or known to, or used by others in the United States, before the alleged inventions of the said patentees of the patents in suit, and for more than two years prior to the respective applications for said patents; among which prior inventors and users and those having prior knowledge are the patentees and their assigns of the several Letters Patents named in the annexed schedule 'A,' at the places and addresses named in said Letters Patent, and other prior inventors, users and those having prior knowledge the names of whom, and the times and places of such other public uses, being at the present time unknown to defendants, but which, when fully ascertained, defendants pray leave to insert in this Answer by amendments thereto. [No such amendment was ever made or attempted.]

"Defendants are informed and believe and therefore aver that each of the Letters Patent in suit is invalid and void for the reason that the alleged invention thereof purported to be patented thereby are not the same as were disclosed in the application therefor as originally filed, but are substantially different from any invention indicated, described, or suggested in the original applications therefor; that the applications therefor were amended in the specification and claims during the prosecution thereof and the alleged patented subject matter is not supported by oath as required by law; that the said applications were unlawfully enlarged during the prosecution thereof; and that the claims of said Letters Patent are invalid and void for the reason that they include matter not shown or adequately described in the said patents."

⁵ Tanner, Vice President in charge of the sales of the Johnson Motors Division, testified as follows:

"Q. Are you familiar with the type of lower unit construction which is shown on this chart reproduced from the drawings of the Johnson patent No. 1,716,962? A. I am.

"Q. Do you recall when such a construction was introduced to the market, and by whom? A. To the best of my recollection it was for the model year of 1926, which would mean it was probably introduced about January or February of 1926.

"Q. By whom? A. By Johnson Motor Company.

In an unreported decision the District Court did not touch on this question, but found as a matter of fact and of law that the claims in question were invalid because merely aggregational. On appeal to the Circuit Court of Appeals the issue of sale or public use was not clearly presented,⁶ if indeed it was presented at all; and the opinion rendered by that Court did not advert to it, although it held that the claims here involved were valid and infringed. 119 F. 2d 404. While there was no conflict of decision

"Q. At that time was Evinrude Motor Company a competitor of Johnson Motor Company? A. Yes, they were.

"Q. At that time was Elto Motor Company a competitor of Johnson Motor Company? A. Yes.

"Q. At that time was Lockwood-Ash Motor Company a competitor of Johnson Motor Company? A. Yes.

"Q. What was the result of the introduction of this model by Johnson Motor Company in 1926? A. As far as I was concerned, I was connected with the Lockwood-Ash Motor Company that was making a motor in 1926 and not having that combination; and, not having it, we did not have the satisfactory performance that the Johnson combination had.

"Q. In what respect did your motor not have as satisfactory a performance? A. It had cavitation.

"Q. What did your motor lack particularly of the structure shown in this Johnson patent? A. We did not have an anti-cavitation plate.

"Q. What did you do to remedy this difficulty? A. In the fall of 1926, for the 1927 model year, we put on an anti-cavitation plate.

"Q. Did that remedy your difficulty, so far as cavitation was concerned? A. Yes.

"Q. Do you know what was done by Evinrude and Elto? A. My recollection is that possibly, not at the same moment, I doubt Evinrude did the same year, put on an anti-cavitation plate on the stream line housing. I don't remember clearly whether Elto did it that year or the next, but they subsequently did put on the same combination."

Irgens, Chief Engineer and Production Manager of the Evinrude Division, testified as follows:

"Q. How long has it been true that all of the larger sizes of outboard motors have been equipped with smooth walled lower unit housings, anti-cavitation plates intermediate the top and bottom thereof, and internal water passages. A. They became popular about 1926, and from then on practically all of them have been made that way."

⁶ The brief of petitioners in the Circuit Court of Appeals, which has been certified to this Court by the Clerk of that Court, contained the following statement under the heading of anticipation: "In considering these claims it is appropriate to first have in mind their historical background, in view of the importance that Plaintiffs place upon them as being for subject matter that 'solved a problem' previously 'stalling' a great industry. In the first place the subject matter of these claims was in no way considered in or made a part of the original application. . . . It was not until more than two years later that the patentee on December 6, 1928, by his amendment 'C', added claims to his application covering any of the matter that is now deemed to be of such great importance. Then, for the first time the patentee claimed, in claims originally numbered 17 to 25, inclusive, the anticavitation plate apart from the limitations which characterized his originally filed disclosures and originally filed claims."

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with respect to these claims,⁷ we granted certiorari in view of the questions presented and because the patent dominates a substantial portion of an industry so concentrated in the Seventh Circuit that litigation in other circuits, resulting in a conflict of decisions, is unlikely. 314 U. S. —. *Schriber-Schroth Co. v. Cleveland Trust Co.*, 305 U. S. 47.

Section 4886 of the Revised Statutes, as amended and applicable to the present case, provided for the issuance of a patent to an inventor upon certain conditions, one of which was that his invention was "not in public use or on sale in this country for more than two years prior to his application."⁸

In an effort to avoid the effect of this provision, respondents contend that the question of its applicability was not raised either in the District Court or in the Circuit Court of Appeals; that there was no opportunity to meet the issue; and that the invention as finally claimed was disclosed by the application as originally made or in any event as amended on December 8, 1928.

However, the evidence of public use and sale, given, as we have pointed out, by respondents' own officers and witnesses,⁹ has not been questioned or contradicted, and is interpreted by respondents' counsel in accordance with our view of it. In their brief they say "It is true that after Johnson Motor Company, licensee under the patent in suit, had popularized devices embodying the subject matter of the claims in suit, at least one competitor copied the combinations of the claims in suit from the Johnson motor before claims closely resembling those in suit were presented to the Patent Office in December 1928. This was done by Lockwood Ash Motor Company, then a competitor, but subsequently merged to constitute a predecessor of Respondent, Outboard, Marine & Manufacturing Company. . . . Lockwood Ash first adopted this combination for the 1927 season. The model year commenced in January or February. . . . Concededly, the original claims were limited additionally either to the deflection plate or to the arched support. But claims without these limitations had, contrary to Petitioners' assertions, been filed December 8, 1928.

⁷ They had previously been sustained by a District Court in the Sixth Circuit. *Johnson Brothers Engineering Corp. v. Caille Bros. Co.*, 8 F. Supp. 198. Caille is no longer in the business.

⁸ The period is now one year. Act of August 5, 1939, 53 Stat. 1212, 35 U. S. C. § 31.

⁹ See footnote 5, *supra*.

The difference in date is critical because the record shows that the only manufacture of devices embodying the invention which had occurred more than two years prior to December 8, 1928, was licensed manufacture by Johnson Motor Company, predecessor of Respondent Outboard, Marine & Manufacturing Company, and in 1926, exclusive licensees of Respondent Johnson Brothers Engineering Corporation, owner of the application for the patent in suit.

. . . The only concern which produced outboard motors in accordance with the invention of the patent in 1926 was the exclusive licensee under the application for the patent in suit. . . .

March, 1929, would be more than two years after the opening of the 1927 model year; but the actual date in December, 1928, when the patentee claimed the specific invention in controversy, without regard to deflection plate or arched support, was well within two years of the first competitive use of the invention, even assuming that the two year period is of any significance in the present case. . . . "

It is clear to us, however, that the amendments of December 8, 1928, like the original application, wholly failed to disclose the invention now asserted.

The claims in question are invalid if there was public use, or sale, of the device which they are claimed to cover, more than two years before the first disclosure thereof to the Patent Office. Cf. *Railway Co. v. Sayles*, 97 U. S. 554, 557, 559, 563-64; *Schriber-Schroth Co. v. Cleveland Trust Co.*, *supra*, at 57. Section 4886 of the Revised Statutes would in terms provide for their invalidity had they been offered by application rather than by amendment; and whatever may be the efficacy of an amendment as a substitute for an application, it surely can effect no more than the application itself.

We think the conclusion is inescapable that there was public use, or sale, of devices embodying the asserted invention, more than two years before it was first presented to the Patent Office. We are not foreclosed from a decision under Section 4886 on the point by the obscurity of its presentation in the courts below. This issue has been fully presented to this Court by the petition for a writ of certiorari, and in subsequent briefs and argument; and there is not the slightest indication that respondents have been prejudiced by such obscurity. To sustain the claims in question upon the established and admitted facts would require a plain disregard of the

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public interest sought to be safeguarded by the patent statutes, and so frequently present but so seldom adequately represented in patent litigation.

.We therefore hold that the claims in question are invalid under Section 4386 of the Revised Statutes, and accordingly have no occasion to decide any other question in the case.

Reversed.

A true copy.

Test:

Clerk, Supreme Court, U. S.

